

Message Text

CONFIDENTIAL

PAGE 01 CARACA 00514 151759Z

43

ACTION SS-25

INFO OCT-01 ISO-00 /026 W

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P 151615Z JAN 75

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC PRIORITY 7268

C O N F I D E N T I A L CARACAS 0514

EXDIS

E.O. 11652: GDS

TAGS: ETRD, ENRG, VE

SUBJECT: US-VENEZUELAN EXCHANGE OF NOTES JUNE 26, 1972;

POSSIBLE DENUNCIATION THEREOF BY VENEZUELA;

QUERY RE ANNOUNCED U.S. INCREASE ON PETROLEUM IMPORT DUTIES

REF: CARACAS 92 AND 200

1. AS WE READ PRESIDENT FORD'S ENERGY SPEECH AND PRESS COVERAGE INDICATING THAT USG WILL PRESENTLY INCREASE TARIFFS ON IMPORTED PETROLEUM AND PRODUCTS, THE QUESTION ARISES AS TO THE POSSIBLE EFFECT OF SUCH MEASURES ON OUR EXISTING AGREEMENT WITH VENEZUELA WHICH MAINTAINS DUTIES ON VARIOUS CRUDE PETROLEUM AND PRODUCTS AT AN ESPECIALLY LOW RATE. THIS EXCHANGE OF NOTES OF JUNE 26, 1972, RETAINED TWO BASIC PROVISIONS OF THE DENOUNCED MULTILATERAL TRADE AGREEMENT OF 1939 MAINTAINING, AS INDICATED ABOVE, LOW TARIFFS ON PETROLEUM EXPORTED TO THE UNITED STATES AND THE MOST FAVORED NATION CLAUSE SET FORTH IN THE OLD RECIPROCAL TRADE AGREEMENT.

2. THUS FAR, AT LEAST IN PUBLIC PRINT, VENEZUELANS HAVE RAISED NO QUERY AS TO POSSIBLE CONFLICT BETWEEN THE U.S. ENGAGEMENT EXPRESSED IN THE NOTE OF JUNE 26, 1972, TO KEEP PETROLEUM DUTIES DOWN, AND THE ANNOUNCEMENT FROM WASHINGTON OF AN IMMEDIATE INTENT BY USG TO PUT THEM UP. HOWEVER, THERE HAS ALREADY BEEN SOME PUBLIC SPECULATION (CARACAS 92 AND 200) ON THE POSSIBLE NECESSITY OF DENOUNCING THE AGREEMENT OF JUNE 26, 1972, AT LEAST SO FAR AS MFN IS CONCERNED.

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3. DEPARTMENT'S VIEWS ON THESE CONTINGENCIES WOULD BE WELCOME.

MCCLINTOCK

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Message Attributes

Automatic Decaptoning: Z
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM, CUSTOMS DUTIES, IMPORTS, TARIFF BARRIERS, DIPLOMATIC NOTES
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Draft Date: 15 JAN 1975
Decaption Date: 28 MAY 2004
Decaption Note: 25 YEAR REVIEW
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Margaret P. Grafeld
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